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Dalli had two meetings with tobacco lobbyists

'What started as a normal lobbying relationship ended up vitiated'



Giovanni Kessler, head of the EU's anti-fraud office, at yesterday's press conference, where he contradicted John Dalli's claims of ignorance over Swedish tobacco lobbyists.

John Dalli held two meetings with tobacco lobbyists that were organised by a Sliema businessman, according to the head of the EU's anti-fraud arm OLAF.

*John Dalli was aware of this and did nothing to block, stop or report these events
- EU anti-fraud office head*

The information released yesterday by Giovanni Kessler, director general of OLAF, during a press conference in Brussels directly contradicted earlier statements made by the former EU Commissioner.

Basing its conclusions on "unambiguous circumstantial evidence", Dr Kessler said that Mr Dalli was aware that someone close to him had been repeatedly trading in influence in dealings with Swedish snus tobacco lobbyists.

"He (Dalli) was aware of this and did nothing to block, stop or report these events," Dr Kessler said.

Earlier in the day, Mr Dalli had said in an interview with New Europe magazine, which was broadcast on You Tube: "I can vouch (Silvio Zammit, the Sliema businessman) never communicated to me... never asked me for any meeting with these people."

He was referring specifically to lobbyists from the tobacco industry.

However, after Mr Kessler's interview, Mr Dalli was quoted by Malta Today saying that he had attended two meetings organised by Mr Zammit, one held in 2010 and the other, involving a Maltese lawyer, in January 2012.

Questions sent by The Times to Mr Dalli about Mr Kessler's statement remained unanswered by the time the newspaper went to print, though for some time yesterday there had been a technical problem with reaching Mr Dalli.

On Tuesday Mr Dalli resigned as Commissioner after OLAF concluded its investigation into allegations made by tobacco company Swedish Match that wants the EU sales ban on snus – a dry tobacco that is not smoked but placed under the upper lip – to be lifted.

Prime Minister Lawrence Gonzi yesterday said he would be "acting fast" to nominate a new European Commissioner from Malta.

In May, Swedish Match reported it was approached by a Maltese businessman acting on Mr Dalli's behalf who asked for money to influence the forthcoming revision of EU tobacco rules.

The businessman was not named but sources have confirmed he was restaurateur and circus promoter Silvio Zammit, who until Tuesday was the Nationalist Party's deputy mayor in Sliema. Mr Zammit resigned on the same day as Mr Dalli, citing "personal reasons".

Mr Dalli confirmed Mr Zammit was his political canvasser in the last election but denied any knowledge of the alleged dealings.

He reiterated this stand in a video interview with New Europe magazine posted online yesterday, just hours before the OLAF press conference. Mr Dalli also refuted the anti-fraud office's conclusions and blamed the tobacco industry for getting back at him.

But in a lively exchange with journalists, Dr Kessler insisted that at no stage did Mr Dalli take any action to prevent or dissociate himself from the events.

"It is obvious that in cases like these we asked whether the allegations were true, or whether somebody was making them for self-interest or simply as a trap," Dr Kessler said.

OLAF answered its own questions at the end of the investigation, he added, when it was certain that illicit requests for money were made by the businessman using the Commissioner's name.

Dr Kessler said what started as a normal lobbying relationship ended up being "vitiated" when instead of a normal fee, the businessman asked for an enormous amount of money.

He added that despite the "attempted criminal means" to influence the Commission's decision-making process, OLAF found no evidence of this actually happening. Dr Kessler refused to reveal the Maltese businessman's name but said the sum he had asked for was "rather conspicuous, big and substantive".

The businessman had no connection with any EU institutions but was "well known to the Commissioner".

OLAF carried out "a comprehensive, thorough and swift investigation," Dr Kessler added. "We made full use of our investigative capacity and on the basis of evidence collected we connected the pieces and this helped us arrive at our conclusions."

He confirmed Mr Dalli had two meetings with lobbyists of snus companies that were organised by Mr Zammit.

Asked about an e-mail from one of the snus lobbyists to Mr Zammit, published by Malta Today yesterday, Dr Kessler said he was not aware of it. The informal e-mail from Inge Delfosse of the European Smokeless Tobacco Council was sent in March, asking for a meeting to be arranged with Mr Dalli.

Ms Delfosse also asked Mr Zammit to quote his fee. Mr Zammit's Facebook wall shows that he was in Sweden in October 2011 and a particular wall post was 'liked' by Ms Delfosse.

Dr Kessler said the final report had not yet been passed to Malta's Attorney General for further action.

It will be the AG who decides whether to take any criminal action against the people mentioned in OLAF's report.

Speaking just before the OLAF chief, Commission spokeswoman Pia Ahrenkilde Hansen fended off questions on whether Mr Dalli had been asked to resign.

She ostensibly stuck to the press statement issued on Tuesday that said Mr Dalli resigned after Commission President Jose Manuel Barroso informed him of the investigation's conclusions, in order to defend his reputation and that of the Commission.

She insisted he had resigned but admitted it was delivered verbally, not in writing. Mr Dalli said he was told by Mr Barroso that if he did not resign within 45 minutes he would be sacked.

Ms Hansen said Malta now had to appoint a new commissioner.

She said it will be up to the new commissioner to submit his proposals for changes in the tobacco regulations.

When it was pointed out that lobbying was a common practice, she said the EU had a public stakeholders' consultation process and very clear rules on contact with lobbyists.

Dr Kessler later said that when OLAF submitted its conclusions to the Commission President it asked for them to be evaluated in light of the code of conduct for commissioners.

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